



MPOFANA MUNICIPALITY

"Kusasa Lizezandleni Zethu Masakhe."

The Future Is In Our Hands, Let's Build.

Budget Documentation

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Glossary

Act – means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.

Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Own Revenue – Means total revenue as reflected in the municipality's financial performance budget less national and provincial conditional transfers.

PART 1

DRAFT BUDGET

1. INTRODUCTION

PURPOSE

The purpose is to submit to Council the Multi-Year Budget for the 2016-2017 financial year as required in terms of Section 16 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and in terms of the new Municipal Budget and Reporting Regulations.

AUTHORITY

Mayor

LEGAL / STATUTORY REQUIREMENTS

Municipal Finance Management Act No 56, 2003, Section 16.

BACKGROUND

In terms of section 16 of the Municipal Finance Management Act, the council of a municipality must approved annual budget for the municipality before the start of that financial year.

DISCUSSION

A municipality may table an Adjustment Budget in the municipal Council at any time after the Mid-Year Budget and Performance Assessment is tabled to Council, but not later than 28 February as required by Section 23(j) of the Municipal Budget and Reporting Regulations (MBRR)

Section 21 of the MBRR states that an Adjustment Budgets and supporting documentation of a municipality must be in the format specified in Schedule B and includes all the tables and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168(1) of the Act.

Furthermore, Section 22 of the MBRR further states that (1) an Adjustment Budget of a municipality must be appropriately funded and that (2) the supporting documentation to accompany an Adjustment Budget in terms of Section 28(5) of the Act must contain an explanation of how the Adjustment Budget is funded.

2. Mayor's report

MAYORAL MESSAGE ON THE PRESENTATION OF THE ADJUSTMENT BUDGET 2016/17

TO COUNCIL, WEDSDAY 31 MARCH 2016

Honourable Councillors, it gives me great pleasure to be seating on the helm and representing this municipality as the speaker of this great and challenging municipality for the purpose of presenting to you the 2016/2017 Budget report for your consideration.

The task ahead of us in mammoth and as a municipality we have an obligation to perform our duties to the best of our ability, taking into account that the focus is on our municipality following a myriad of challenges that led to the dissolution of the previous Council prompting by-elections which led to our appointment as new Councillors.

Notwithstanding the fact that this is our first Council meeting to deal with budgetary issues of the municipality, we are grateful that the intervention is assisting through the support of COGTA and Provincial Treasury with whom we work very closely through the Interim Finance Committee which I am part of.

Despite all the cash-flow challenges facing our municipality, as a result of the accumulation of many irregularities that have impacted negatively on our municipality, there is hope that the situation cannot be worse than it is and indeed we will leave no stone unturned to turn around the situation.

The 2016/17 Budget proposes a total consolidated budget of R124 948 which is a far cry from what is expected of the municipality in relation to the backlogs and service delivery needs of community, but nevertheless the municipality has no choice but the cut of the size of our coat based on the size of our cloth. In summary, the attached report depicts a realistic status which is presented to the Council for approval it being noted that from the deliberations that transpired at the Finance Portfolio Committee it is appropriate that due fluctuations over and under spending in some votes and well as over and under collections, there is indeed a need to carry out a budget adjustment in order for municipality to give a realistic projection for the last half of the current financial year.

I sincerely hope that as a municipality we will work within our means and also that we will make every effort to collect whatever is due to the municipality.



Ms T.M. Magubane

The Mayor

3. Resolutions

The Council of the Mpofana Municipality at a meeting on 31 March 2016 considered the adjustment budget for approval. The following are the resolutions:

- 3.1 THAT the attached Adjustment Operating Budget in respect of 2016/2017 be approved as follows:

Total Operating Income R,137,418 000.00

Total Operating Expenditure R124,948,200.00

- 3.2 THAT the Adjustment Capital Budget for the 2016/2017 financial year as tabled in the amount of R18,680,000.00 be approved.

4.1 Consolidated Overview

Description R thousand	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Total Revenue		120 810	126 810	126 810	120 810	137 418	143 510	150 748
Total Expenditure		139 331	125 542	125 542	125 542	124 948	133 812	144 339
Total Capital Expenditure		16 595	12 295	12 295	12 295	18 680	12 213	12 660

The above table indicates the changes from original budget to proposed budget for the period 2016-2017.

Total Operating Revenue

The municipality's has budgeted total operating revenue of R137,4 million and the details of the increase will be explain in revenue by source, **table 4.3**

Total Operating Expenditure

The total operating expenditure budget for 2016/2017 is R124, 9 million and the details of the decreased are explained in **expenditure by type Table 4.4.**

Total Capital Budget

Capital Budget for 2016/2017 is R18, 6 million. **Table 4.5**

Description R thousand	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source								
Property rates	2	11 929	10 478	10 478	10 478	14 169	14 892	15 651
Property rates - penalties & collection charges		2 766	2 166	2 166	2 166	2 274	2 388	2 507
Service charges - electricity revenue	2	57 150	51 777	51 777	51 777	61 004	64 787	68 091
Service charges - water revenue	2	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-
Service charges - refuse revenue	2	3 222	3 222	3 222	3 222	3 127	3 287	3 454
Service charges - other								
Rental of facilities and equipment		219	654	654	654	697	740	784
Interest earned - external investments		524	424	424	424	452	480	508
Interest earned - outstanding debtors		2 349	2 084	2 084	2 084	2 222	2 359	2 498
Dividends received								
Fines		336	7 246	7 246	7 246	7 724	8 203	8 687
Licences and permits		3 211	1 418	1 418	1 418	3 400	3 611	3 824
Agency services								
Transfers recognised - operational		38 427	38 427	38 427	38 427	39 640	39 888	41 698
Other revenue	2	684	8 914	8 914	8 914	2 708	2 876	3 046
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)		120 817	126 810	126 810	126 810	137 418	143 510	150 748
Expenditure By Type								
Employee related costs	2	29 168	29 496	29 496	29 496	33 596	36 015	38 500
Remuneration of councillors		2 261	2 534	2 534	2 534	2 506	2 686	2 872
Debt impairment	3	23 025	10 106	10 106	10 106	10 773	11 441	12 116
Depreciation & asset impairment	2	10 367	5 370	5 370	5 370	6 304	6 695	7 090
Finance charges		635	635	635	635	677	719	761
Bulk purchases	2	55 735	55 735	55 735	55 735	56 765	62 156	68 068
Other materials	8							
Contracted services		6 659	4 929	4 929	4 929	5 254	5 580	5 909
Transfers and grants		-	-	-	-	-	-	-
Other expenditure	4, 5	11 481	16 737	16 737	16 737	9 073	8 520	9 023
Loss on disposal of PPE								
Total Expenditure		139 331	125 542	125 542	125 542	124 948	133 812	144 339
Surplus/(Deficit)		(18 514)	1 268	1 268	1 268	12 470	9 698	6 409

4.3 Revenue by Source

Description R thousand	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source								
Property rates	2	11 929	10 478	10 478	10 478	14 169	14 892	15 651
Property rates - penalties & collection charges		2 766	2 166	2 166	2 166	2 274	2 388	2 507
Service charges - electricity revenue	2	57 150	51 777	51 777	51 777	61 004	64 787	68 091
Service charges - water revenue	2	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-
Service charges - refuse revenue	2	3 222	3 222	3 222	3 222	3 127	3 287	3 454
Service charges - other								
Rental of facilities and equipment		219	654	654	654	697	740	784
Interest earned - external investments		524	424	424	424	452	480	508
Interest earned - outstanding debtors		2 349	2 084	2 084	2 084	2 222	2 359	2 498
Dividends received								
Fines		336	7 246	7 246	7 246	7 724	8 203	8 687
Licences and permits		3 211	1 418	1 418	1 418	3 400	3 611	3 824
Agency services								
Transfers recognised - operational		38 427	38 427	38 427	38 427	39 640	39 888	41 698
Other revenue	2	684	8 914	8 914	8 914	2 708	2 876	3 046
Gains on disposal of PPE								
Total Revenue (excluding capital transfers and contributions)		120 817	126 810	126 810	126 810	137 418	143 510	150 748

Revenue by Source

Property Rates

Property rates budget R14,1 million. The municipality made an increase of 9.5% on Property rates for 2016/2017 financial year.

Service charge electricity

The municipality also use 7.6% in the budgeted amount for Electricity however the municipality is facing a challenge in collection on Service charge Electricity as a result of meter tempering.

Service charge Refuse

The budgeted amount for Refuse on 2016/2017 budget is R3, 1 million. The municipality use 9.5% increase.

Fines

The municipality has budgeted R7, 7 million on Traffic fines. But the municipality is facing a challenge in collecting on those traffic fines. People do not pay their Traffic fines.

Licences and Permits

The Licence and Permits budget has been increased as by 1st April 2016 the construction that has taken place will be completed. The construction prevented driver's license tests to be conducted causing a decrease in revenue. With the centre been in operation as from April 2016, the testing for driver's licences will commence, increases the expected revenue.

Other Revenue.

The budget amount for Other Income is R2, 7 million of which R1.5 million will be claimed from SANRAL for payment of 11 trainee traffic officers as per the agreement between the municipality and SANRAL.

4.4 Expenditure by Type

Description R thousand	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type	-							
Employee related costs	2	29 168	29 496	29 496	29 496	33 596	36 015	38 500
Remuneration of councillors		2 261	2 534	2 534	2 534	2 506	2 686	2 872
Debt impairment	3	23 025	10 106	10 106	10 106	10 773	11 441	12 116
Depreciation & asset impairment	2	10 367	5 370	5 370	5 370	6 304	6 695	7 090
Finance charges		635	635	635	635	677	719	761
Bulk purchases	2	55 735	55 735	55 735	55 735	56 765	62 156	68 068
Other materials	8							
Contracted services		6 659	4 929	4 929	4 929	5 254	5 580	5 909
Transfers and grants		-	-	-	-	-	-	-
Other expenditure	4, 5	11 481	16 737	16 737	16 737	9 073	8 520	9 023
Loss on disposal of PPE								
Total Expenditure		139 331	125 542	125 542	125 542	124 948	133 812	144 339

Expenditure by Type

Employee related cost

Employee related budget is R33, 5 million. The municipality increased its Employee cost budget by 7.6% plus R1, 5 million for Trainee Traffic Officers which will be claimed from SANRAL.

Councillors Remuneration

The municipality also use 7, 6% increase on Councillors Remuneration for 2016/2017 budget.

Contracted service

The municipality made increase as per CPI Inflation.

Other Expenditure

The municipality is facing a challenge in terms of cash flow as a result there is a decrease in the budget for other expenditure when compare to 2015/2016 financial year. The municipal budget must be funded and in order for the municipality to fund its budget the municipality need to cut their expenses.

List of the budgeted Expenditure

Other Expenditure By Type		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Collection cost		100	100	100	100	107	113	120
Contributions to 'other' provisions		613	313	313	313	250	266	281
Consultant fees		1 000	1 000	1 000	1 000	1 000	1 062	1 125
Audit fees		1 000	1 000	1 000	1 000	1 100	1 168	1 237
General expenses		300	200	200	200	213	226	240
Repairs and maintenance		2 749	1 749	1 749	1 749	1 864	1 980	2 097
Advertising		141	141	141	141	150	160	169
Bank charges		147	147	147	147	157	166	176
Bursary scheme		100	-	-	-	-	-	-
Gender programme		100	70	70	70	100	106	112
Insurance		178	178	178	178	190	202	213
Land cleaning		50	50	50	50	53	57	60
Machine hire		350	186	186	186	198	211	223
Service connection		300	150	150	150	160	170	180
Telephone		483	483	483	483	515	547	579
Vehicle fuel and oil		700	500	500	500	533	566	599
LED programmes		100	-	-	-	-	-	-
HIV and Aids programmes		100	20	20	20	21	23	24
Youth Programmes		120	90	90	90	100	106	112
Uniforms		400	180	180	180	192	204	216
Valuation expenses		300	300	300	300	320	340	360
Water account		320	320	320	320	341	362	384
Ward committee support		100	100	100	100	107	113	120
Art and Culture Expenditure		100	30	30	-	-	-	-
Computer expenses and software		630	330	330	330	352	374	396
EPWP Grant expenses		1 000	1 000	1 000	1 000	850	-	-
Equipment		-	8 100	8 100	8 100	200	-	-
Total 'Other' Expenditure	1	11 481	16 737	16 737	16 707	9 073	8 520	9 023

4.5 Capital Expenditure

Vote Description R thousand	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard								
<i>Governance and administration</i>		-	-	-	-	-	-	-
Executive and council								
Budget and treasury office								
Corporate services								
<i>Community and public safety</i>			-	-	-	7 000	-	-
Community and social services						7 000		
Sport and recreation								
Public safety								
Housing		-						
Health								
<i>Economic and environmental services</i>		12 295	14 650	14 650	14 650	11 680	12 213	12 660
Planning and development								
Road transport		12 295	14 650	14 650	14 650	11 680	12 213	12 660
Environmental protection								
<i>Trading services</i>		-	-	-	-	-	-	-
Electricity								
Water								
Waste water management								
Waste management								
<i>Other</i>								
Total Capital Expenditure - Standard	3	16 595	14 650	14 650	14 650	18 680	12 213	12 660
Funded by:								
National Government		12 295	12 295	12 295	12 295	11 680	12 213	12 660
Provincial Government						7 000		
District Municipality								
Other transfers and grants								
Transfers recognised - capital	4	12 295	12 295	12 295	12 295	18 680	12 213	12 660
Public contributions & donations	5							
Borrowing	6							
Internally generated funds		4 3000	2 355	2 355	2 355			
Total Capital Funding	7	16 595	14 650	14 650	14 650	18 680	12 213	12 660

The municipality has the Capital budget of R18, 6 million and that entire budget is funded by Grants and subsidies. National Government funds R11, 6 million of the municipality's Capital budget and R7 million is funded by Provincial Government (Cogta)

5.1. Statement of Financial Position

Description	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS								
Current assets								
Cash		1 000	—	—	—	5 755		
Call investment deposits	1	5 183	1 353	1 353	1 353	980	980	980
Consumer debtors	1	29 000	29 000	29 000	29 000	32 937	32 069	30 915
Other debtors		497	497	497	497	497	497	497
Current portion of long-term receivables		500	400	400	400	400	4 000	400
Inventory	2	—	76	76	76	76	76	76
Total current assets		36 180	31 326	31 326	31 326	40 645	37 622	32 868
Non current assets								
Long-term receivables								
Investments								
Investment property		5 335	5 335	5 335	5 335	5 335	5 335	5 335
Investment in Associate								
Property, plant and equipment	3	58 554	72 472	72 472	72 472	90 217	101 819	113 846
Agricultural								
Biological								
Intangible		—	85	85	85	85	85	85
Other non-current assets		—	99	99	99	99	99	99
Total non current assets		63 889	77 991	77 991	77 991	95 736	107 338	119 365
TOTAL ASSETS		100 069	109 317	109 317	109 317	136 381	144 960	152 233
LIABILITIES								
Current liabilities								
Bank overdraft	1	—	—	—	—	—	—	—
Borrowing	4	70	70	70	70	—	—	—
Consumer deposits		266	266	266	266	266	266	266
Trade and other payables	4	14 000	34 018	34 018	34 018	20 124	17 124	16 124
Provisions		8 900	6 148	6 148	6 148	—	—	—
Total current liabilities		23 236	40 502	40 502	40 502	20 390	17 390	16 390
Non current liabilities								
Borrowing		950	950	950	950	—	—	—
Provisions		14 450	11 486	11 486	11 486	11 986	12 777	13 530
Total non current liabilities		15 400	12 436	12 436	12 436	11 986	12 777	13 530
TOTAL LIABILITIES		38 636	52 938	52 938	52 938	32 376	30 167	29 920
NET ASSETS	5	61 433	56 379	56 379	56 379	104 005	114 793	122 313
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)		54 879	55 283	55 283	55 283	32 376	31 167	31 920
Reserves	4	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	54 879	55 283	55 283	55 283	32 376	31 167	31 920

The above Table is budgeted Financial Position of the municipality for 2016/2017 financial year.

5.2. Adjustment budget Cash flow

Description R thousand	Ref	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties & collection charges		11 116	10 115	10 115	10 115	11 737	12 334	12 961
Service charges		42 260	43 999	43 999	43 999	44 892	47 652	50 082
Other revenue		4 450	11 728	11 728	11 728	9 122	9 687	10 260
Government - operating	1	38 427	38 427	38 427	38 427	39 640	39 888	41 698
Government - capital	1	12 295	12 295	12 295	12 295	18 680	12 213	12 660
Interest		2 873	2 508	2 508	2 508	2 674	2 839	3 006
Dividends						-	-	-
Payments								
Suppliers and employees		(105 305)	(109 431)	(109 431)	(109 431)	(107 194)	(114 957)	(124 372)
Finance charges		(635)	(635)	(635)	(635)	(677)	(719)	(761)
Transfers and Grants	1					-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		5 481	9 006	9 006	9 006	18 874	8 937	5 534
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE						-	-	-
Decrease (Increase) in non-current debtors						-	-	-
Decrease (Increase) other non-current receivables						-	-	-
Decrease (Increase) in non-current investments						-	-	-
Payments								
Capital assets		(12 295)	(14 650)	(14 650)	(14 650)	(18 680)	(12 213)	(12 660)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(12 295)	(14 650)	(14 650)	(14 650)	(18 680)	(12 213)	(12 660)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans						-	-	-
Borrowing long term/refinancing						-	-	-
Increase (decrease) in consumer deposits						-	-	-
Payments								
Repayment of borrowing		(70)	(70)	(70)	(70)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(70)	(70)	(70)	(70)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(6 884)	(5 714)	(5 714)	(5 714)	194	(3 276)	(7 126)
Cash/cash equivalents at the year begin:	2	13 766	2 687	2 687	2 687	6 461	6 655	3 379
Cash/cash equivalents at the year end:	2	6 882	(3 027)	(3 027)	(3 027)	6 655	3 379	(3 747)

The above Table is budgeted Cash flow of the municipality for 2016/2017 financial year.

- The municipality has budgeted 70% collection rate on Property rate, Service charge electricity, service charge Refuse removal.
- On Traffic fines the municipality budget 30% collection rate.

5.3. Grants and Subsidies


Description R thousand	Ref	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:	1, 2						
<u>Operating Transfers and Grants</u>							
National Government:		37 333	37 333	37 333	38 518	38 718	40 468
Local Government Equitable Share		27 603	27 603	27 603	27 693	28 818	30 313
Finance Management		1 800	1 800	1 800	1 825	1 900	2 155
Municipal Systems Improvement		930	930	930	-	-	-
EPWP Incentive		1 000	1 000	1 000	1 000	-	-
Integrated National Electrification Programme		6 000	6 000	6 000	8 000	8 000	8 000
Other transfers/grants [insert description]							
Provincial Government:		1 095	1 095	1 095	1 122	1 170	1 230
Provincial Library		170	170	170	179	188	197
Library Subsidy		759	759	759	768	798	840
Museum		166	166	166	175	184	193
		-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-
[insert description]							
Other grant providers:		-	-	-	-	-	-
[insert description]							
Total Operating Transfers and Grants	5	38 428	38 428	38 428	39 640	39 888	41 698
<u>Capital Transfers and Grants</u>							
National Government:		12 295	12 295	12 295	11 680	12 213	12 660
Municipal Infrastructure Grant (MIG)		12 295	12 295	12 295	11 680	12 213	12 660
Other capital transfers/grants [insert desc]							
Provincial Government:		4 300	-	-	7 000	-	-
Small Town Rehabilitation Grant		4 300			7 000		
Housing Grant							
District Municipality:		-	-	-	-	-	-
[insert description]							
Other grant providers:		-	-	-	-	-	-
[insert description]							
Total Capital Transfers and Grants	5	16 595	12 295	12 295	18 680	12 213	12 660
TOTAL RECEIPTS OF TRANSFERS & GRANTS		55 023	50 723	50 723	58 320	52 101	54 358

The Table above is total budgeted Grants and Subsidies Transfers to municipality as per Gazetted Division of Revenue Act and the allocation by Provincial Treasury (Cogta).

6. QUALITY CERTIFICATE

I, Maxwell Moyo, the Municipal Manager of the Mpofana Municipality, hereby certify that the Proposed Annul Budget 2016-2017 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and supporting documentation are consistent with the Integrated Development Plan of the municipality.


Compiled by



.....

Mr SA Mncwabe

Approved By



.....

Mr M Moyo

MPOFANA MUNICIPALITY

UMASIPALA WASE MPOFANA

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EXTRACT FROM THE MINUTES OF A *SPECIAL MEETING* OF THE *MPOFANA COUNCIL* HELD IN THE COUNCIL CHAMBER OF THE CIVIC BUILDINGS ON *THURSDAY, 31 MARCH 2016 AT 11H00*

PRESENT

Her Worship the Mayor, Cllr M. Magubane
Cllr M. Majola
Cllr N. Ndlovu
Cllr S. Ndumo
Cllr X.M. Duma
Cllr M. Mthlane

[Chairperson/ Speaker]

IN ATTENDANCE

Municipal Manager, Mr M. Moyo
Chief Financial Officer, Mr S. Mncwabe
Director of Economic and Community Services, Mrs B. Mchunu
Manager: IDP/PMS, Mr M. Mkhize
Committee Clerk, Mrs P. Rampersad

APOLOGIES

Cllr B. Khumalo
Acting Director of Corporate Services, Mr B. Ngubane
Director of Technical Services, Mr S. Zamisa
Manager: Internal Audit, Mr M. Mkhize

APPROVAL OF FIRST DRAFT BUDGET FOR THE 2016/17 FINANCIAL YEAR

The Council at a meeting held on 31 March 2016 considered the adjustment budget for approval, whereafter,

It was

RESOLVED

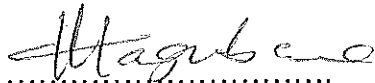
THAT upon the proposal of Cllr Duma and seconded by Cllr Ndlovu the attached Adjustment Operating Budget in respect of 2016/17 be approved as follows:

- | | |
|-------------------------------|-----------------|
| • Total Operating Income | R137,418,000.00 |
| • Total Operating Expenditure | R124,938,200.00 |

It was also

RESOLVED

THAT the Adjustment Capital Budget for the 2016/17 financial year as tabled in the amount of R18,680,000.00 be approved.



CLLR M. MAGUBANE
MAYOR/SPEAKER

CERTIFIED A TRUE COPY

31 MARCH 2016